

Second Amendment to the Contract

This Second Amendment to the Contract for Iowa Medicaid Enterprise Services (the "Contract") between the State of Iowa, Department of Human Services (the "Agency" or "DHS") and Myers and Stauffer LC (the "Contractor") effective as of ~~July 1, 2010~~ *May 7, 2012* is made pursuant to Section 19.6 of the Contract. This Amendment is effective as the date of full execution of this Amendment and will remain coterminous with the Contract. The Amendment modifies, to the extent specified below, the terms and conditions of the Contract:

1: Amendment to the Contract. Section 5, Scope of Work and Service Requirements, of the Contract is hereby modified by adding the following language at the end of the section:

The additional Scope of Work attached to the Second Amendment as Attachment 6 is incorporated herein by reference.

2: Amendment to the Contract. Section 7.1, Performance Based Contract, of the Contract is modified by adding the following language at the end of the section.

In addition to the amounts set forth above, for the scope of work as outlined in the Second Amendment as Attachment 6, Contractor shall be paid a yearly fixed price to be earned and billed in equal monthly installments as follows:

SFY 2012	\$150,000 for uniform cost report development.
SFY 2013	\$75,000 for uniform cost report development.

3: Ratification, Authorization, and Contingency. Except as expressly amended and supplemented herein, the Contract shall remain in force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, to otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms. This amendment is subject to and contingent upon CMS approval.

4: Execution. IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

State of Iowa, acting by and through the Iowa Department of Human Services

By: CM Palmer Date: 6-7-12
Charles M, Palmer, Director

Myers and Stauffer LC (Contractor)

By: Amy C. Perry Date: 5-1-12
Amy C. Perry, Member

Attachment 6**Scope of Work****Key Activity:**

Contractor Responsibilities: Provide assistance in the development and implementation of a uniform cost report:

- 1. Uniform cost report development**
- 2. Iowa Medicaid Cost and Rate System (IMCARS) Modifications¹**
 - a. Modify IMCARS to incorporate the new uniform cost report form. Also modify IMCARS as needed based on reimbursement changes promulgated in rule.
 - b. Perform testing of changes made to IMCARS .
 - c. Implement changes made to IMCARS.
- 3. Develop provider-type rate / settlement schedules**
 - a. Identify and resolve issues related to the reporting and allocation of all statistical and cost data.
 - b. Identify and resolve issues related to provider specific rate / settlement schedules.
 - c. Identify and resolve issues related to form layout.
- 4. Finalize cost report definitions**
 - a. Identify and resolve issues related to different needs of different provider types.
 - b. Identify and resolve issues related to provider specific rate / settlement schedules.
 - c. Ensure definitions are appropriate for all provider types.
- 5. Develop cost report instructions**
 - a. General schedules.
 - b. Provider type specific schedules.
 - c. Supplemental information.
- 6. Administrative rule changes**
 - a. Propose rule changes related to allowability and consistency of cost definitions.
 - b. Propose rule changes related to use and submission requirements of report.
 - c. Propose rule changes related to effective dates, due dates and penalties for non / late submission.
- 7. Provider selection and training of sample cost reports**
 - a. Identify and recruit specific providers suitable for sample.
 - b. Train identified and volunteered providers and their preparers.
- 8. Review sample uniform cost reports**
 - a. Develop desk review program for review.
 - b. Train PCA staff on review of uniform cost report.
 - c. Review as submitted reports and uniform cost report simultaneously.
- 9. Identify issues from samples**
 - a. Review and amend report / schedules.

- b. Review and amend cost definitions.
- c. Review and amend rule changes.
- d. Review and amend cost report instructions.

10. Fiscal impact analysis

- a. Impact based on updated rules on allowability and consistency.
- b. Impact based on change to use of report.
- c. Impact based on change in reporting periods.

11. Training for all providers

- a. Develop and submit training materials to Department for approval.
- b. Identify options on how training could be conducted and present to Department for approval.
- c. Conduct cost report training for January 1 - June 30 year ends based on Department's approved method.
- d. Conduct cost report training for July 1 - December 31 year ends based on Department's approved method.

Deliverables:

- Uniform cost report and instructions
- IMCARS business requirements
- IMCARS testing results
- Draft administrative rules
- Provider cost report training materials
- Summary of findings from review of sample uniform cost reports including fiscal impact analysis

Key performance measures:

- Uniform cost report and instructions completed by March 31, 2012.
- Draft administrative rules completed by March 31, 2012.
- Complete provider training by October 13, 2012.
- Complete legislative report by December 15, 2013.